

FORM D

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

1391579

OMB APPROVAL	
OMB Number:	3235-0076
Expires:	April 30, 2008
Estimated average burden hours per response:	16.00

FORM D

**NOTICE OF SALE OF SECURITIES
PURSUANT TO REGULATION D,
SECTION 4(6), AND/OR
UNIFORM LIMITED OFFERING EXEMPTION**

SEC USE ONLY	
Prefix	Serial
DATE RECEIVED	

Name of Offering (☐ check if this is an amendment and name has changed, and indicate change.)

Filing Under (Check box(es) that apply): ☐ Rule 504 ☐ Rule 505 ☒ Rule 506 ☐ Section 4(6) ☐ ULOE
 Type of Filing: ☐ New Filing ☐ Amendment



07044257

A. BASIC IDENTIFICATION DATA

1. Enter the information requested about the issuer

Name of Issuer (☐ check if this is an amendment and name has changed, and indicate change.)

First Flight Investment Partners, L.P.

Address of Executive Offices 100 Valencia Street, Half Moon Bay, CA 94019	(Number and Street, City, State, Zip Code)	Telephone Number (Including Area Code) (415) 902-8990
Address of Principal Business Operations (if different from Executive Offices)	(Number and Street, City, State, Zip Code)	Telephone Number (Including Area Code)

Brief Description of Business

Limited Partnership engaged in seeking capital appreciation through investments.

PROCESSED

Type of Business Organization

- ☐ corporation ☒ limited partnership, already formed ☐ other (please specify):
☐ business trust ☐ limited partnership, to be formed

MAR 05 2007

Actual or Estimated Date of Incorporation or Organization: Month 01 Year 05 ☒ Actual ☐ Estimated
 Jurisdiction of Incorporation or Organization: (Enter two-letter U.S. Postal Service abbreviation for State:
 CN for Canada; FN for other foreign jurisdiction) **DE**

**THOMSON
FINANCIAL**

GENERAL INSTRUCTIONS**Federal:**

Who Must File: All issuers making an offering of securities in reliance on an exemption under Regulation D or Section 4(6), 17 CFR 230.501 et seq. or 15 U.S.C. 77d(6).

When To File: A notice must be filed no later than 15 days after the first sale of securities in the offering. A notice is deemed filed with the U.S. Securities and Exchange Commission (SEC) on the earlier of the date it is received by the SEC at the address given below or, if received at that address after the date on which it is due, on the date it was mailed by United States registered or certified mail to that address.

Where To File: U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

Copies Required: Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

Information Required: A new filing must contain all information requested. Amendments need only report the name of the issuer and offering, any changes thereto, the information requested in Part C, and any material changes from the information previously supplied in Parts A and B. Part E and the Appendix need not be filed with the SEC.

Filing Fee: There is no federal filing fee.

State:

This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form. Issuers relying on ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made. If a state requires the payment of a fee as a precondition to the claim for the exemption, a fee in the proper amount shall accompany this form. This notice shall be filed in the appropriate states in accordance with state law. The Appendix to the notice constitutes a part of this notice and must be completed.

ATTENTION

Failure to file notice in the appropriate states will not result in a loss of the federal exemption. Conversely, failure to file the appropriate federal notice will not result in a loss of an available state exemption unless such exemption is predicated on the filing of a federal notice.

A. BASIC IDENTIFICATION DATA

2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer.
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

Check Box(es) that Apply: ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☐ Director ☒ General and/or Managing Partner

Full Name (Last name first, if individual)

First Flight Financial Advisors, LLC

Business or Residence Address (Number and Street, City, State, Zip Code)

100 Valencia Street, Half Moon Bay, CA 94019

Check Box(es) that Apply: ☐ Promoter ☒ Beneficial Owner ☒ Executive Officer ☐ Director ☒ General and/or Managing Partner

Full Name (Last name first, if individual)

Chase, Denton

Business or Residence Address (Number and Street, City, State, Zip Code)

100 Valencia Street, Half Moon Bay, CA 94019

Check Box(es) that Apply: ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

(Use blank sheet, or copy and use additional copies of this sheet, as necessary)

B. INFORMATION ABOUT OFFERING

1. Has the issuer sold, or does the issuer intend to sell, to non-accredited investors in this offering? Yes ☐ No ☒
Answer also in Appendix, Column 2, if filing under ULOE.
2. What is the minimum investment that will be accepted from any individual? \$ 250,000.00
3. Does the offering permit joint ownership of a single unit? Yes ☒ No ☐
4. Enter the information requested for each person who has been or will be paid or given, directly or indirectly, any commission or similar remuneration for solicitation of purchasers in connection with sales of securities in the offering. If a person to be listed is an associated person or agent of a broker or dealer registered with the SEC and/or with a state or states, list the name of the broker or dealer. If more than five (5) persons to be listed are associated persons of such a broker or dealer, you may set forth the information for that broker or dealer only.

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) ☐ All States

AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	HI	ID
IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA
RI	SC	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY	PR

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) ☐ All States

AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	HI	ID
IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA
RI	SC	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY	PR

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) ☐ All States

AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	HI	ID
IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA
RI	SC	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY	PR

(Use blank sheet, or copy and use additional copies of this sheet, as necessary.)

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

1. Enter the aggregate offering price of securities included in this offering and the total amount already sold. Enter "0" if the answer is "none" or "zero." If the transaction is an exchange offering, check this box ☐ and indicate in the columns below the amounts of the securities offered for exchange and already exchanged.

Type of Security	Aggregate Offering Price	Amount Already Sold
Debt	\$ 0.00	\$ 0.00
Equity	\$ 0.00	\$ 0.00
<input type="checkbox"/> Common <input type="checkbox"/> Preferred		
Convertible Securities (including warrants)	\$ 0.00	\$ 0.00
Partnership Interests	\$ 250,000,000.00	\$ 770,000.00
Other (Specify _____)	\$ _____	\$ _____
Total	\$ 250,000,000.00	\$ 770,000.00

Answer also in Appendix, Column 3, if filing under ULOE.

2. Enter the number of accredited and non-accredited investors who have purchased securities in this offering and the aggregate dollar amounts of their purchases. For offerings under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their purchases on the total lines. Enter "0" if answer is "none" or "zero."

	Number Investors	Aggregate Dollar Amount of Purchases
Accredited Investors	5	\$ 770,000.00
Non-accredited Investors	0	\$ 0.00
Total (for filings under Rule 504 only)	0	\$ 0.00

Answer also in Appendix, Column 4, if filing under ULOE.

3. If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, in the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C — Question 1.

Type of Offering	Type of Security	Dollar Amount Sold
Rule 505	n/a	\$ 0.00
Regulation A	n/a	\$ 0.00
Rule 504	n/a	\$ 0.00
Total		\$ 0.00

- 4 a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the insurer. The information may be given as subject to future contingencies. If the amount of an expenditure is not known, furnish an estimate and check the box to the left of the estimate.

Transfer Agent's Fees	<input type="checkbox"/>	\$ _____
Printing and Engraving Costs	<input checked="" type="checkbox"/>	\$ 2,000.00
Legal Fees	<input checked="" type="checkbox"/>	\$ 10,000.00
Accounting Fees	<input checked="" type="checkbox"/>	\$ 8,000.00
Engineering Fees	<input type="checkbox"/>	\$ 0.00
Sales Commissions (specify finders' fees separately)	<input type="checkbox"/>	\$ 0.00
Other Expenses (identify)	<input checked="" type="checkbox"/>	\$ 5,000.00
Total	<input type="checkbox"/>	\$ 25,000.00

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

b. Enter the difference between the aggregate offering price given in response to Part C — Question 1 and total expenses furnished in response to Part C — Question 4.a. This difference is the “adjusted gross proceeds to the issuer.”


\$ 249,975,000.00

5. Indicate below the amount of the adjusted gross proceed to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted gross proceeds to the issuer set forth in response to Part C — Question 4.b above.

	Payments to Officers, Directors, & Affiliates	Payments to Others
Salaries and fees	<input type="checkbox"/> \$	<input type="checkbox"/> \$
Purchase of real estate	<input type="checkbox"/> \$	<input type="checkbox"/> \$
Purchase, rental or leasing and installation of machinery and equipment	<input type="checkbox"/> \$	<input type="checkbox"/> \$
Construction or leasing of plant buildings and facilities	<input type="checkbox"/> \$	<input type="checkbox"/> \$
Acquisition of other businesses (including the value of securities involved in this offering that may be used in exchange for the assets or securities of another issuer pursuant to a merger)	<input type="checkbox"/> \$	<input type="checkbox"/> \$
Repayment of indebtedness	<input type="checkbox"/> \$	<input type="checkbox"/> \$
Working capital	<input type="checkbox"/> \$	<input type="checkbox"/> \$
Other (specify):	<input type="checkbox"/> \$	<input type="checkbox"/> \$ 770,000.00
.....	<input type="checkbox"/> \$	<input type="checkbox"/> \$
.....	<input type="checkbox"/> \$	<input type="checkbox"/> \$
Column Totals	<input type="checkbox"/> \$ 0.00	<input type="checkbox"/> \$ 770,000.00
Total Payments Listed (column totals added)	<input type="checkbox"/> \$ 770,000.00	

D. FEDERAL SIGNATURE

The issuer has duly caused this notice to be signed by the undersigned duly authorized person. If this notice is filed under Rule 505, the following signature constitutes an undertaking by the issuer to furnish to the U.S. Securities and Exchange Commission, upon written request of its staff, the information furnished by the issuer to any non-accredited investor pursuant to paragraph (b)(2) of Rule 502.

Issuer (Print or Type) First Flight Investment Partners, L.P.	Signature 	Date 2/1/2007
Name of Signer (Print or Type) Denton Chase	Title of Signer (Print or Type) Managing Member of the General Partner of the Issuer	

ATTENTION

Intentional misstatements or omissions of fact constitute federal criminal violations. (See 18 U.S.C. 1001.)

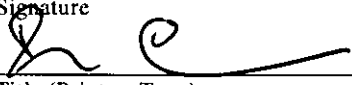
E. STATE SIGNATURE

1. Is any party described in 17 CFR 230.262 presently subject to any of the disqualification provisions of such rule? Yes ☐ No ☒

See Appendix, Column 5, for state response.

2. The undersigned issuer hereby undertakes to furnish to any state administrator of any state in which this notice is filed a notice on Form D (17 CFR 239.500) at such times as required by state law.
3. The undersigned issuer hereby undertakes to furnish to the state administrators, upon written request, information furnished by the issuer to offerees.
4. The undersigned issuer represents that the issuer is familiar with the conditions that must be satisfied to be entitled to the Uniform limited Offering Exemption (ULOE) of the state in which this notice is filed and understands that the issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied.

The issuer has read this notification and knows the contents to be true and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.

Issuer (Print or Type)	Signature	Date
First Flight Investment Partners, L.P.		2/1/2007
Name (Print or Type)	Title (Print or Type)	
Denton Chase	Managing Member of the General Partner of the Issuer	

Instruction:

Print the name and title of the signing representative under his signature for the state portion of this form. One copy of every notice on Form D must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

APPENDIX

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)		Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
AL	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
AK	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
AZ	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
AR	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
CA	<input type="checkbox"/>	<input checked="" type="checkbox"/>		3	\$520,000.00			<input type="checkbox"/>	<input type="checkbox"/>
CO	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
CT	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
DE	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
DC	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
FL	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
GA	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
HI	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
ID	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
IL	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
IN	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
IA	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
KS	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
KY	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
LA	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
ME	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
MD	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
MA	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
MI	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
MN	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
MS	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>

APPENDIX

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)		Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
MO	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
MT	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
NE	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
NV	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
NH	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
NJ	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
NM	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
NY	<input type="checkbox"/>	<input checked="" type="checkbox"/>		2	\$250,000.00			<input type="checkbox"/>	<input type="checkbox"/>
NC	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
ND	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
OH	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
OK	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
OR	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
PA	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
RI	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
SC	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
SD	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
TN	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
TX	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
UT	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
VT	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
VA	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
WA	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
WV	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
WI	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>

APPENDIX

1	2 Intend to sell to non-accredited investors in State (Part B-Item 1)		3 Type of security and aggregate offering price offered in state (Part C-Item 1)	4 Type of investor and amount purchased in State (Part C-Item 2)				5 Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
WY	<input type="text"/>	<input type="text"/>						<input type="text"/>	<input type="text"/>
PR	<input type="text"/>	<input type="text"/>						<input type="text"/>	<input type="text"/>

Appendix A

First Flight Investment Partners, L.P. is a Delaware limited partnership (the "**Partnership**"). The General Partner of the Partnership is First Flight Financial Advisors, LLC (the "**General Partner**") and will be responsible for the management of the Partnership's portfolio. The Managing Member of the General Partner is Denton Chase. The General Partner will be responsible for managing the investments and the business of the Partnership.

Incentive Allocation

The General Partner will receive an Incentive Allocation as to each Limited Partner, annually on the last day of each year, equal to 20% of the Net Profit allocated to each Limited Partner for that calendar year. An Incentive Allocation will also be made as to amounts withdrawn, as of the effective time of the withdrawal.

Incentive Allocations will be subject to a "high water mark" provision. That is, the General Partner will receive an Incentive Allocation from a Limited Partner's account only to the extent the Limited Partner's share of Net Profit exceeds his or her previously allocated but unrecouped Net Losses (subject to adjustment for partial withdrawals). This will prevent the General Partner from receiving an Incentive Allocation on Net Profits that simply restore previous Net Losses and is intended to ensure that each Incentive Allocation is based on the long-term performance of a Limited Partner's investment in the Partnership.

Once made, an Incentive Allocation will not be reduced by losses incurred in subsequent periods. The General Partner may, in its discretion, waive, vary or defer the calculation of all or any portion of the Incentive Allocation as to any Limited Partner.

Management Fee

For its services in managing and supervising the Partnership's investment portfolio, the General Partner will receive a Management Fee generally calculated quarterly, in arrears, at a rate of .375% (1.5% *per annum*) of each Limited Partner's Capital Account balance. The Management Fee will be calculated and paid quarterly on the last day of each quarter based on the value of the Limited Partners' Capital Account balances as of the beginning of each calendar quarter or as of the time an additional capital contribution has been made during such calendar month. The Management Fee will be prorated as to Limited Partners who make capital contributions on a date other than the first day of a calendar quarter. In calculating the Management Fee, the assets and liabilities of the Partnership are fairly valued by the General Partner in good faith. The General Partner may, in its sole discretion, reduce or waive entirely its Management Fee with respect to any or all Limited Partners, including without limitation, the managing members of the General partner, their affiliates and members of their families. The Management Fee charged by the General Partner may be lesser or greater than amounts charged by other investment managers for similar services.

Other Expenses

The Partnership is responsible for all of the direct costs of administering its business. These include, among other things: brokerage commissions, interest on margin and other borrowings, borrowing charges on securities sold short, custodial fees, legal, research, accounting and audit fees and expenses, tax-preparation fees, governmental fees and taxes, bookkeeping and other professional fees, telephone, travel and travel-related expenses in connection with the Partnership's activities, costs of Partnership reporting, costs of Partnership governance activities (such as obtaining Partner consents if and when necessary and appropriate), and all other reasonable expenses related to the management and operation of the Partnership and/or the purchase, sale or transmittal of Partnership assets, as the General Partner determines in its sole discretion. The General Partner may cause some or all of those costs to be paid using "soft dollars"—i.e., paid by securities brokerage firms in recognition of commissions or other compensation (including

markups and markdowns on principal transactions with market makers) paid on securities transactions the Partnership executes with or through those firms.

The Partnership will bear all ongoing expenses of offering Interests, either directly or by reimbursing the General Partner for any such expenses advanced. However, the General Partner may pay from their own assets finders or referral fees to third parties who introduce investors to the Partnership, or the General Partner may waive any or all of the Management Fee or the Incentive Allocation as to third parties who introduce investors to the Partnership, or the General Partner may direct a portion of the Partnership's portfolio business to broker-dealers who (i) introduce investors to the Partnership, (ii) introduce prospective advisory clients to the General Partner, and/or (iii) pay finder's fees or other compensation to third parties who introduce investors to the Partnership.

The General Partner will provide the Partnership with office space, utilities, office equipment and certain administrative services. To the extent those facilities and services are not part of the General Partner's own operating, general administrative, and overhead costs, the Partnership will bear its proportionate share of the associated costs. To the extent those facilities and services are part of the General Partner's own operating, general administrative, and overhead costs, the General Partner is not entitled to direct reimbursement from the Partnership. The General Partner may cause (subject to certain prohibitions under ERISA) some or all of such expenses to be paid using soft dollars. This practice, may in some cases, relieve the General Partner of expenses they would otherwise bear.

Soft Dollars

In choosing a broker, the General Partner may consider the value of various services or products, beyond transaction execution, that the broker or dealer provides to the Partnership or the General Partner. And the General Partner may cause the Partnership to pay an amount of compensation (including markups and markdowns on principal transactions with market makers) that is higher than what another, equally capable broker might charge. Selecting a broker in recognition of services or products other than transaction execution is known as paying for those services or products with "soft dollars." Because many of those services could benefit the General Partner, the General Partner may have a conflict of interest in allocating the Partnership's brokerage business, including an incentive to cause the Partnership to effect more transactions than it might otherwise transact in order to obtain those benefits. The extent of any such conflict depends in large part on the nature and uses of the services and products acquired with soft dollars. The Partnership Agreement authorizes the General Partner to use the Partnership's soft dollars for a wide range of purposes.

Partnership Expenses. The General Partner may use brokerage commissions, markups and markdowns, and other transaction-related compensation (as well as interest the Prime Broker receives on the Partnership's cash balances, margin borrowings and borrowings of securities to maintain short positions) to pay the Prime Broker for recordkeeping, custodial and related services provided to the Partnership. The General Partner may also use soft dollars to pay the Partnership's accounting, and other similar expenses, and meet the Partnership's obligation to reimburse the General Partner for costs and expenses that the General Partner has advanced. The Partnership, and not the General Partner, would otherwise be obligated to bear these expenses and the General Partner therefore does not believe the General Partner has a meaningful conflict of interest in using soft dollars to pay them.

Research and Brokerage. The General Partner may also use soft dollars to acquire a variety of "research" and "brokerage services and products" for which the Partnership would not otherwise be required to pay. Section 28(e) of the Exchange Act, recognizes the potential conflict of interest involved in this activity but protects General Partner from claims that it involves a breach of fiduciary duty to advisory clients—even if the brokerage commissions paid are higher than the lowest available—if certain conditions and requirements are met. For these purposes, "research" means services or products used to provide lawful and appropriate assistance to the General Partner in making investment decisions for its clients (including the Partnership). "Brokerage services and products" are those used to effect securities transactions for the General Partner's clients (including the Partnership) or to assist in effecting those transactions. To be protected under Section 28(e), the General Partner must, among other things, determine that commissions

paid are reasonable in light of the value of the "research" and "brokerage services and products" acquired. Section 28(e)'s "safe harbor" protects the use of the Partnership's soft dollars even when the research and brokerage services and products acquired are used in making and implementing investment decisions and transactions for clients other than the Partnership. Notwithstanding this protection, the General Partner could be considered to have a conflict of interest when it uses soft dollars for research and brokerage services and products because it might otherwise be required to pay cash for those services and products; and therefore it may have an incentive to use brokers who provide those products and services more than it otherwise would. The types of "research" the General Partner expects to acquire include: reports on or other information about particular companies or industries; economic surveys and analyses; recommendations as to specific securities or commodity interests; financial publications; portfolio evaluation services; financial database software and services; computerized news, pricing and order-entry services; analytical software; proxy analysis services and systems, and quotation equipment used in investment decision making; and other products or services that may enhance the General Partner's investment decision making. "Brokerage services and products" (beyond typical execution services) include computer systems and facilities used for such things as communicating orders electronically to executing brokers.

Other Services and Products. The General Partner may also use the Partnership's soft dollars to acquire services and products that provide benefits to the General Partner that may not qualify as "research" or "brokerage service and products" and/or to pay expenses otherwise payable by the General Partner. These may include the General Partner's expenses of and travel to professional and industry conferences, hardware and software used in administrative activities, office rent, legal and accounting expenses, salaries, benefits and other compensation payable to employees or consultants to the General Partner, telephone charges, and office services, equipment and supplies. The General Partner may or may not use other clients' soft dollars to pay such expenses and, if it does, such use may not be directly proportionate to the benefits to the Partnership and such other clients. Using soft dollars for such purposes would not be protected by Section 28(e) and the General Partner would have a conflict of interest in doing so, as it would have an incentive to use brokers, who provide or pay for products and services for which the General Partner would otherwise have to pay, and if soft dollars are limited, may have an incentive to cause those expenses to be paid with soft dollars while the Partnership pays its own expenses with cash.

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